



2000 Legislative Report

Rep. Ruth Fisher

27th District Newsletter

Spring 2000

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Dear Neighbor,

Washington voters in November approved Initiative 695 to reduce license tab taxes to \$30 and to require a public vote on all future tax or fee increases. I supported giving motorists a modest tax break on their license tabs. However, I opposed this ballot measure. As a state legislator, I believed that it would deal a major financial blow to many state and local programs, including transportation improvements and services.

The measure passed in our legislative district by slightly more than 1,100 votes out of over 28,000 cast. Statewide, 56 percent of the voters approved the measure. Once I-695 became law, it was the Legislature's responsibility to implement it and abide by its provisions.

I have always held that people with opposing viewpoints ought to work together to find common ground. I know that I represent the 27th District in some cases because of my views and in some cases despite them. That is how our democratic process works. Unfortunately, in recent years, we have experienced a rash of unprincipled partisanship in and around the Legislature that doesn't serve anyone well. I have attempted to rise above partisan politics in order to set our state on a course toward sustained economic prosperity, a higher standard of living for families, and care and compassion for children, the elderly, and the disabled.

This newsletter reviews how the Legislature worked together to respond to the passage of I-695 and the subsequent court ruling finding the measure to be unconstitutional. As always, I welcome your thoughts and comments even when we don't always agree on every issue.

Sincerely,

A handwritten signature in red ink that reads "Ruth Fisher".

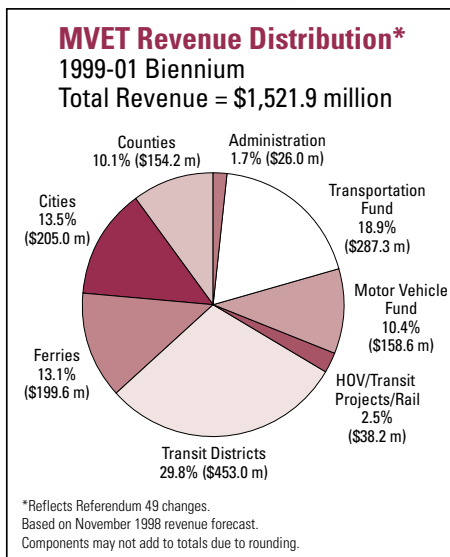
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Where Did License Tab Revenue Go? Court Ruling on I-695

When voters approved I-695, a major source of revenue supporting several state and local programs was eliminated. The chart below shows the distribution of license tab revenue prior to I-695.



Prior to I-695, this is how license tab revenue was distributed to various state and local programs.

Initially, all Motor Vehicle Excise Tax (MVET) revenue went into the state general fund. Over time, lawmakers earmarked portions of this revenue for many state and local programs, even though many of these bore no obvious relation to motor vehicles. In recent years, license tab revenue proved to be a relatively stable and increasing source of revenue and it made sense at the time to use it for these various purposes. Also, unlike the gas tax, there were no limitations on the use of MVET revenue.

Replacing this significant amount of revenue was the major task for legislators this year.

"The United States and its individual states have long been guided by the adage that we citizens have a government of laws and not of men. In accordance with this cherished principle, court rulings must be made by reference to law and not upon personal whim.

Wherever we citizens fall on the political spectrum and whatever our views on any given issue, we all agree that the touchstone is the Constitution."

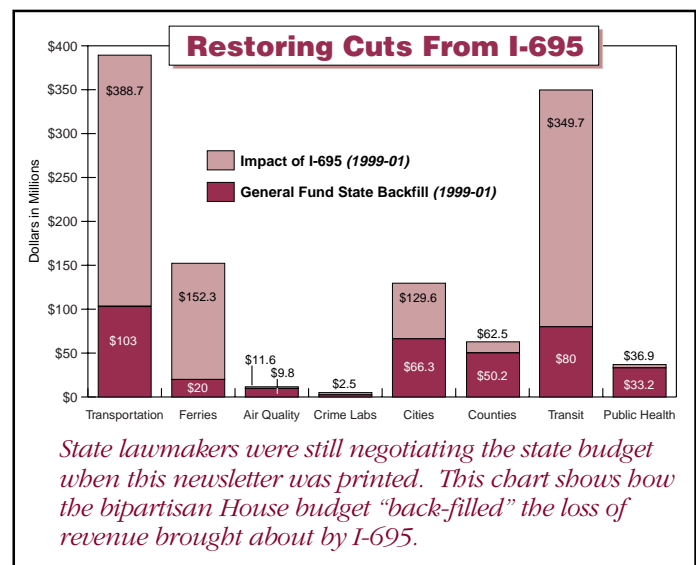
**— Judge Robert H. Alsdorf
King County Superior Court**

In the midst of legislative negotiations over the state budget on March 14, a King County Superior Court judge declared I-695 to be unconstitutional. Judge Robert Alsdorf concluded that I-695 violated several provisions of our state constitution, and thus, he invalidated the measure on each of these counts. The simplest of these to explain is that I-695 violated the provision that no bill may embrace more than one subject.

The reason that the constitution prohibits multiple subjects is to prevent the practice known as "logrolling." This practice is abused at great length in the U.S. Congress, by attaching unpopular "riders" (amendments) to unrelated pieces of legislation. That is how military defense appropriations often are attached to education bills. In the same way, I-695 contained two

aspects of state tax law to address, out of many state tax laws. Further, the judge found that the various sections of the measure lacked "rational unity" in order to pass the "single subject" test.

Responding to this ruling a week later, the House and Senate debated legislation to keep license tabs at \$30. I voted "No." However, a majority in both houses approved the legislation and Gov. Locke signed it into law. Further, the state Supreme Court is expected to review I-695 sometime in June.



Local Government



City and county governments received a large share of license tab revenue, including direct assistance for criminal justice programs and additional funding for general governmental purposes. Both Tacoma and Pierce County received significant license tab dollars to pay for police and fire protection, although the impact on their budgets was relatively low. Smaller cities and economically distressed counties faced even more drastic cuts as a result of I-695.

When this newsletter went to print, House and Senate leaders were still working out the finer details of how much money each city or county should receive. Overall, lawmakers generally agreed on “back-filling” roughly half of all local money lost to I-695.

Public Health

Public health districts and county health departments also lost significant state funding as a result of I-695. Statewide, this amounted to a \$39 million hit to local programs that provide child immunizations and flu shots, inspect food safety at restaurants, monitor the quality of our drinking water, and other public health issues. Recent studies show that our citizens are living longer, healthier lives — and advances in public health are a major reason why.



Again, the final budget had not been resolved when this report was written. However, lawmakers were close to agreeing to a budget that included \$33 million for public health. Although some efficiencies and cutbacks will still be necessary, this amount would allow local health departments to keep providing basic public health services.

Transit



Washington state's 26 local transit systems help thousands of people get to work, school, supermarkets, and doctor's appointments every day. By moving more people in fewer vehicles, transit alleviates traffic congestion, reduces air pollution and saves money. Yet, I-695 had a profound impact on funding for local transit agencies. Statewide, transit lost \$223 million per year in revenue — about a fourth of their total funding. Without replacing this funding, transit agencies would be forced to make service cuts of between 10 and 60 percent.

Many lawmakers believe our state has a financial and environmental interest in maintaining efficient, affordable and reliable transit service for commuters, the elderly, students, the disabled, and lower-income working people. House budget writers agreed to provide \$80 million in a one-time transitional distribution to local transit districts. An additional \$114 million was also agreed on to make outstanding transit payments from the state for the last quarter of 1999. However, more money for transit is needed. The House and Senate were still negotiating whether to allow transit districts to increase local-option sales taxes from .6 to .9 percent, by a vote of the people.

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Transportation

Of all the programs affected by I-695, transportation was by far the most difficult to repair this year because so much money was lost. More than \$1 billion in funding for new highway construction, transit, state ferries, and rail service was wiped out. Many of the highway projects approved by Referendum 49 had to be delayed, since the revenue to finance long-term capital construction bonds was eliminated.

The bipartisan transportation budget approved by the House maintains transit, ferry, and rail service and makes significant investments in new highway



construction through the end of the biennium. Further, it makes wise use of state investments to leverage

roughly \$400 million in federal, local, and private matching funds.

Roughly half of the House transportation budget was slated for state highways — to relieve congestion, improve the movement of goods and services, and increase safety. In addition, the state ferry system will receive \$20 million per year to maintain service and prevent fare increases this year.

When this newsletter went to the printer, I continued to meet with my House Republican and Senate transportation counterparts to iron out a final budget. It was my hope that we would come up with significant investments for transportation. I believe the health of our economy depends on it. Consider for a moment that our state currently has over \$40 billion in unfunded transportation improvement needs and currently has no method to pay for them.

Beyond this legislative session, the state Blue Ribbon Commission on Transportation Funding will consider how best to raise these

needed funds. As a representative to the Commission, I will be working with other transportation-minded experts to answer this vital question for our state's future.

About this Newsletter:

State law governs when legislators can mail newsletters in election years. In compliance with that law, this newsletter was printed prior to final approval of the state operating and transportation budgets.

I wanted you to be aware of the status of our work, even though some minor changes may still take place prior to final approval of the budget.

Please feel free to contact me with any additional questions you may have or updates you may need at any time.

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